

LAKHOTIA POLYESTERS (INDIA) LIMITED

8th ANNUAL REPORT
2012-13





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CORPORATE INFORMATION

BOARD OF DIRECTORS

◆ Mr. Madhusudan Lakhota	Chairman and Managing Director
◆ Mrs. Jayshree Lakhota	Executive Director
◆ Mr. Harish Khajanchi	Executive director
◆ Mr. Sajan Choudhary	Independent Director
◆ Mr. Shailesh Mistry	Independent Director
◆ Mr. Vicky Jain	Independent Director

BANKERS

Union Bank of India
ICICI Bank

STATUTORY AUDITORS

M/s Sabadra & Sabadra, Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic (India) Private Limited

REGISTERED OFFICE

Lakhota Polyesters (India) Limited

158/159 Samaratha Sahkari Atydyogik Vasahat Ltd.

Pimpal- Gaon (Baswant),

Tal Niphad, District Nashik,

Maharashtra- 422209

Tel: +91 2550-252300 Fax: +91 2550-252300

Website: www.lakhotiapolym.in Email: info@lakhotiapolym.in



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 8th Annual General Meeting of the Members of M/s. LAKHOTIA POLYESTERS (INDIA) LIMITED will be held on 13th September, 2013 at 02:30 pm at 158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India to transact the following business:

ORDINARY BUSINESS

1. To Consider and adopt the Balance Sheet as at 31st March 2013, and the Statement of Profit & Loss for the year ended 31st March 2013, along with the report of the Board of Directors and Auditors thereon.
2. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.
3. To appoint a director in place of Mrs. Jayshree Lakhotia, who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. To regularize Mr. Sajan Choudhary as director on the Board of the Company.

To consider and if thought fit, pass, with or without modification(s), following resolution as an "Ordinary Resolution".

"RESOLVED THAT Mr. Sajan Choudhary, who was appointed as an Additional Director of the company w.e.f. 12th October, 2012 and who holds the said office until the date of this meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 , proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

"RESOLVED FURTHER THAT the Board of Directors be and hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or desirable in such manner as it deem fit in this regard to give effect to this resolution".

5. To regularize Mr. Shailesh Mistry as director on the Board of the Company.

To consider and if thought fit, pass, with or without modification(s), following resolution as an "Ordinary Resolution".

"RESOLVED THAT Mr. Shailesh Mistry, who was appointed as an Additional Director of the company w.e.f. 12th October, 2012 and who holds the said office until the date of this meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 , proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".



“RESOLVED FURTHER THAT the Board of Directors be and hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or desirable in such manner as it deem fit in this regard to give effect to this resolution”.

6. To regularize Mr. Vicky Jain as director on the Board of the Company.

To consider and if thought fit, pass, with or without modification(s), following resolution as an “Ordinary Resolution”.

“RESOLVED THAT Mr. Vicky Jain , who was appointed as an Additional Director of the company w.e.f. 12th October, 2012 and who holds the said office until the date of this meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 , proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.

“RESOLVED FURTHER THAT the Board of Directors be and hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or desirable in such manner as it deem fit in this regard to give effect to this resolution”.

7. To regularize Mr. Harish Khajanchi as director on the Board of the Company.

To consider and if thought fit, pass, with or without modification(s), following resolution as an “Ordinary Resolution”.

“RESOLVED THAT Mr. Harish Khajanchi, who was appointed as an Additional Director of the company w.e.f. 28th January, 2013 and who holds the said office until the date of this meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 , proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or desirable in such manner as it deem fit in this regard to give effect to this resolution.

NOTES:

1. A member who is entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. A proxy form in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the scheduled commencement of the meeting. A blank proxy form is sent herewith.
3. The register of members and share transfer books of the Company will remain closed from 10th September, 2013 to 13th September, 2013 (both days inclusive).



4. The Shareholders are requested to notify their change of address immediately to the Registrars & Transfer Agent – Sharex Dynamic (India) Private Limited. The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.
5. Section 109A of the Companies Act, 1956 extends nomination facility to all shareholders. They may like to avail it.
6. Equity shares of the Company are under compulsory demat trading by all investors. Those shareholders who have not dematerialized their equity shares are advised to dematerialize their shareholding, to avoid inconvenience in future.
7. Members intending to seek explanation / clarification about the Accounts at the Annual General Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairman permits such information to be furnished.
8. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
9. Re-appointment of Directors: At the ensuing Annual General Meeting Mrs. Jayshree Lakhotia, liable for retire by rotation, and being eligible, offer herself for reappointment. The details pertaining to these directors required to be provided pursuant to Clause 52 of the listing agreement are furnished as annexure to this notice.
10. The Securities and Exchange Board of India (SEBI) has recently, vide its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, made it mandatory to submit Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Member holding shares in physical form can submit their PAN details to the Company. The Company has an Email Id. i.e info@lakhotiapoly.in, which is being used for the purpose of redressing the complaints of the investors.

**BY ORDER OF THE BOARD
FOR LAKHOTIA POLYESTERS (INDIA) LIMITED.**

**Sd/-
Madhusudan Lakhotia
(Chairman & Managing Director)
Place: Nashik
Date: 12th August, 2013**



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE
COMPANIES ACT, 1956**

ITEM No. 4

Mr. Sajan Choudhary was appointed as an Additional Director on the Board of the Company with effect from 12th October, 2012 and as such he holds his office till the date of the ensuing Annual General Meeting.

The Company has received a Notice from a shareholder proposing his name for appointment as Director of the Company liable to retire by rotation in terms of Section 257 of the Companies Act, 1956. Accordingly, a resolution is placed before the Members for his appointment for approval of the Members.

Your Directors recommend his appointment, as Director liable to retire by rotation, for the approval of Members. Apart from Mr. Sajan Choudhary, no other Director is interested in the resolution.

ITEM No. 5

Mr. Shailesh Mistry was appointed as an Additional Director on the Board of the Company with effect from 12th October, 2012 and as such he holds his office till the date of the ensuing Annual General Meeting.

The Company has received a Notice from a shareholder proposing his name for appointment as Director of the Company liable to retire by rotation in terms of Section 257 of the Companies Act, 1956. Accordingly, a resolution is placed before the Members for his appointment for approval of the Members.

Your Directors recommend his appointment, as Director liable to retire by rotation, for the approval of Members. Apart from Mr. Mr. Shailesh Mistry, no other Director is interested in the resolution.

ITEM No. 6

Mr. Vicky Jain was appointed as an Additional Director on the Board of the Company with effect from 12th October, 2012 and as such he holds his office till the date of the ensuing Annual General Meeting.

The Company has received a Notice from a shareholder proposing his name for appointment as Director of the Company liable to retire by rotation in terms of Section 257 of the Companies Act, 1956. Accordingly, a resolution is placed before the Members for his appointment for approval of the Members.

Your Directors recommend his appointment, as Director liable to retire by rotation, for the approval of Members. Apart from Mr. Vicky Jain, no other Director is interested in the resolution.



ITEM No. 7

Mr. Harish Khajanchi, was appointed as an Additional Director on the Board of the Company with effect from 28th January, 2013 and as such he holds his office till the date of the ensuing Annual General Meeting.

The Company has received a Notice from a shareholder proposing his name for appointment as Director of the Company liable to retire by rotation in terms of Section 257 of the Companies Act, 1956. Accordingly, a resolution is placed before the Members for his appointment for approval of the Members.

Your Directors recommend his appointment, as Director liable to retire by rotation, for the approval of Members. Apart from Mr. Harish Khajanchi, no other Director is interested in the resolution.

As per clause 52 of the listing agreement, the details of the directors seeking appointment / reappointment at the Meeting are as follows:

Name of Director	Mr. Sajan Choudhary	Mr. Shailesh Mistry	Mr. Vicky Jain	Mr. Harish Khajanchi	Mrs. Jayshree Lakhota
Age	53 Years	44 Years	26 Years	25 Years	30 Years
Profile & Experience	Has served Deora Polytex Limited as Chief Accountant for more than two decades. Currently, involved in metal scrap business through his proprietorship firm named M/s. N.C. International.	Served many organizations as Head Accounts. Currently, he is working with Vishisht Exports since last five years.	Chartered Accountant, Currently working as Proprietor in M/s. Vicky Jain & Associates	Chartered Accountant And Bachelor of Commerce	Bachelor of Commerce from Maharshi Dayanand Saraswati University, Ajmer.
Details of directorship held in other Company	NIL	NIL	Binary Computer Education Private Limited	NIL	NIL
Details of Chairman ship/ Membership held in other Companies	NIL	NIL	NIL	NIL	NIL
Shareholding in the Company as on the date of notice	NIL	NIL	NIL	NIL	55,380 Shares



DIRECTORS REPORT

Dear Shareholders,

The Directors of the company have pleasure in presenting the EIGHTH Annual Report of the company together with the Audited Statements of Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

Key Financial Indicators are as under –

Particulars	Amount ₹	Amount ₹
	FINANCIAL YEAR	
	2012 – 13	2011 – 12
Sales	7,06,92,045/-	7,93,29,067/-
Other Income	1,00,500/-	
Total Income	7,07,92,545/-	7,93,29,067/-
Less: Expenditure	6,43,62,703/-	7,41,11,459/-
Profit Before Finance Cost, Depreciation & Tax	64,29,842/-	52,17,608/-
Less: Finance Cost	39,40,723/-	32,12,987/-
Less: Depreciation	9,23,335/-	8,74,415/-
Net Profit Before Tax	15,65,784/-	11,30,206/-
Current Tax Expense	4,99,735/-	3,40,147/-
Deferred Tax Adjustments	62,231/-	1,57,456/-
Net Profit After Tax	10,03,818/-	6,32,603/-

RESULTS OF OPERATION REVIEW:

During the current period of operation, your company has shown a decline in the revenue to the extent of 10.76 % from ₹ 793.29 Lakhs during FY 2011-12 to ₹ 707.92 Lakhs during FY 2012-13. However, Profit after Tax of the company has increased to ₹ 10.03 Lakhs during FY 2012-13 as compared to ₹ 6.32 Lakhs during FY 2011-12.

LISTING OF EQUITY SHARE ON SME SEGMENT OF BSE:

Your Directors are pleased to inform you that your company has got its equity shares listed on SME platform of BSE Limited on 4th of April, 2013.

DIVIDEND:

The Company has decided to sustain the growth in line with the long term growth objectives of the Company by retaining the profits and utilizing the same for opportunities in hand, therefore the board does not recommended any dividend.



INDUSTRIAL RELATIONS:

During the period under review, industrial relations at the company's unit continued to remain cordial and peaceful.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of the Company confirm, to the best of their knowledge & belief, that –

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed along-with proper disclosure relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and pursuant so as to give a true and fair view of the state of affairs of the Company as at 31st March 2013 and the Statement of Profit and Loss of the company for the year ended on that date;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. The annual accounts have been prepared on a going concern basis.

PUBLIC DEPOSITS:

The company has not accepted any deposit within the meaning of the section 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

- A. The Company's operation involves low energy Consumption Nevertheless energy Conservation measures have already been taken wherever possible. Efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

The information pursuant to section 217(1) (e) of the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 is as under;

Conservation Of Energy	:		
Power Consumption		2012-13	2011-12
Electricity Consumption (in units)		279686	303582
Total Amount (in Rs.)		2186527/-	2081763/-
Rate/Unit (in Rs.)		7.81/-	6.85/-



The company has been continuously attempting to create a conscious awareness against excessive consumption and wastage at all levels.

Consumption per unit of Production	2012-13	2011-12
Total Amount (in Rs.)	2186527/-	2081763/-
Total Production (in Kgs.)	256174.39	373626.368
Rate/Kgs. (in Rs.)	8.53/-	5.57/-

There was no technology absorption and no foreign exchange earnings and outgo, during the year under review. Hence, the information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is NIL.

The Company has not entered into any technology transfer agreement.

INITIAL PUBLIC ISSUE:

During the year Company has made a public issue of its share capital by offering 14,52,000 equity shares of Rs. 10/- each for cash at a premium of Rs. 25/- per share (Issue Price Rs. 35/- per share) The issue constituted 38.82% of the fully diluted post Issue Equity Share Capital of the Company.

The Issue was duly subscribed and the directors of the company wish to extend their sincere gratitude to all the shareholders for having reposed their confidence in the company and it's management.

PARTICULARS OF EMPLOYEES:

The company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Sec 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rule 1975

CORPORATE GOVERNANCE:

A report on Corporate Governance along with a Certificate from the Auditors of the Company regarding the compliance with conditions of Corporate Governance as also the Management Discussion and Analysis Report as stipulated under Clause 52 of the Listing Agreement are annexed to this Report.

AUDITORS:

M/s SABADRA & SABADRA, Chartered Accountants retire as auditors of the company at the conclusion of the ensuing Annual General Meeting and according to certificate received from them under Section 224(1B) of the Companies Act, 1956 they are eligible for reappointment. The Board of Directors recommends their re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:



As required under Clause 52 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis of the financial condition and results of consolidated operations of the Company under review, is annexed and forms an integral part of the Director's Report.

APPRECIATION:

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Government Authorities, Company's Bankers, Dealers, Vendors, Customers, Suppliers, Shareholders and other who have supported the company during its difficult time and hope to receive their continued support.

The Directors also wish to place on record their appreciation for the all round co-operation and contribution made by employees at all levels.

For and behalf of the Board of Directors
LAKHOTIA POLYESTERS (INDIA) LIMITED

Nashik
29.05.2013

Sd/-
Madhusudan Lakhotia
Chairman & Managing Director

Sd/-
Jayshree Lakhotia
Executive Director



MANAGEMENT DISCUSSION AND ANALYSIS

Overview:

The company specializes in lacquered metallised polyester film which finds application primarily in the textile and apparel industry. The grade of coated polyester film produced is used extensively in the manufacture of metallic yarns.

The process of metalizing polyester or polymer films leads to a product that is glossy and shiny in its appearance. The process of metalizing involves the layering or coating of polymers with aluminum. The result is a reflective surface which reduces the vulnerability of the material to sunlight, moisture and air. Polyester coated films are available in different grades and specifications and find use across a varied number of industries from flexible packaging, shrink labels, cable insulation, and magnetic media to textiles and decorations.

Industry, Structure & Developments:

In the early days metallic yarns were limited to silver and gold variants. However, today every conceivable shade of colour is reproducible. The ability to read market trends and cater to unique shades, differentiates one company from another and determines the demand pull for metallic yarns. While the industry is fairly organized, there exist a large number of players within the metallic yarn segment. There are few companies that specialize solely in catering to the metallic yarn segment, with most players producing a large array of metallised polyester films which cater primarily to the needs of the flexible packaging industry..

Operational Performance

During the current period of operation, your company has shown a decline in the revenue to the extent of 10.76 % from ₹793.29 Lakhs during FY 2011-12 to ₹707.92 Lakhs during FY 2012-13. However, Profit after Tax of the company has increased to ₹10.03 Lakhs during FY 2012-13 as compared to ₹6.32 Lakhs during FY 2011-12.

Outlook

Indian economy is adversely affected by persistent inflation over the last few years. The rising incomes propped the purchasing power of the population, driving consumption demand in sectors, where supply lagged particularly, in food-grain and non-food-grain commodities, Sharp increase in international prices of fuels also contributed to inflationary pressure. The Government has been going very slow on various reforms, expected by large investors and market. Market participants were particularly concerned about subsidies—fertilizer, food and fuel; falling rupee against dollar; widening current account and fiscal deficits. Net Buys by the Foreign Institutional investors have been declining during the year as compared to these of the earlier years. Economic situations in Euro Zone countries and other priced the Capital Market towards losses.



Risk & Concerns

The largest component of costs involved in making flexible packaging film is attributable to raw materials.

Given the volatile trend in polyesters and demand for polyesters for competing applications the pressure on input costs can be expected to fluctuate.

Adequacy of Internal Control System

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.

Human Resource Development

The Company recognizes that its human resource is its strength in realizing its goals and objectives.

Cautionary Statement

The Statement in this Management Discussion and Analysis report, describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

DECLARATION

As provide under Clause 52 of the Listing Agreement with the Stock Exchange, all Board members and Senior management personnel have affirmed compliance with Lakhotia Polyesters (India) Limited 's Code of Business Conduct and Ethics for the year ended March 31, 2013.

FOR LAKHOTIA POLYESTERS (INDIA) LIMITED

Sd/-
Madhusudan Lakhotia
(Managing Director)

Place: Nashik

Date: 12th August, 2013



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

The Company is fully compliant with the mandatory requirements of Clause 52 of the Listing Agreement formulated by Securities and Exchange Board of India and Stock Exchanges. The Company presents its report on compliance of governance conditions specified in Clause 52 of the Listing Agreement.

1. Company's Philosophy on Code of Governance:

Your Company believes that Corporate Governance is powerful medium to sub serve the long-term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems.

2. Board of Directors

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. The present strength of Board of Directors is 6 (Six), whose composition and category is given below:

Three - Executive Directors

Three - Independent Directors

A. The Constitution of the Board as on March 31, 2013:

The Composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which they are member/ Chairman are given below:

Sr. No.	Directors	Category	No. of Other Directorship		No. of Other Committee positions	
			Public	Private	Member	Chairman
1	Mr. Madhusudan Lakhotia	Managing Director	0	0	2	1
2	Mrs. Jayshree Lakhotia	Executive Director	0	0	0	0
3	Mr. Harish Khajanchi	Executive Director	0	0	2	0
4	Mr. Sajan Choudhary	Independent Director	0	0	1	1
5	Mr. Shailesh Mistry	Independent Director	0	0	1	1
6	Mr. Vicky Jain	Independent Director	0	1	2	1

None of the Directors hold directorship in more than 15 Public Limited Companies nor is a member in more than ten committees or acts as chairman of more than 5 committees across all the companies in which they are Directors.

B. Board Procedure:



The Directors of the Company are informed about the Agenda of the Board Meetings and Committee Meetings, containing relevant information / supporting data, as required well in advance, to enable the Board to take decision. Statutory Auditors are also requested to attend the Board or Committee meeting as and when required. Matters discussed at Board Meeting generally relate to Company's performance, quarterly results of the Company, approval of related-party transactions, general notice of interest of Directors, review of the reports of the Audit Committee and compliance with their recommendation, suggestion, compliance of any regulatory, statutory or listing requirements, etc.

C. Attendance of Each Director At the Board Meetings And The Last Annual General Meeting:

Sr. No.	Name of the Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at the Last AGM held on 29.09.2012
1	Mr. Madhusudan Lakhota	Chairman and Managing Director	17	P
2	Mrs. Kanchan Lakhota	Executive Director	10	P
3	Mrs. Jayshree Lakhota	Executive Director	14	P
4	Mr. Harish Khajanchi	Executive Director	6	NA
5	Mr. Sajjan Choudhary	Independent Director	6	NA
6	Mr. Shailesh Mistry	Independent Director	6	NA
7	Mr. Vicky Jain	Independent Director	8	NA

During the Financial Year 2012-13, Seventeen meetings of the Board of Directors were held on the following dates:

16th April 2012, 2nd July 2012, 20th July 2012, 20th August 2012, 31st August 2012, 1st September 2012, 5th October 2012, 12th October 2012, 5th November 2012, 10th November 2012, 28th January 2013, 12th February 2013, 6th March 2013, 13th March 2013, 14th March 2013, 15th March 2013, 28th March 2013.

D. Directors Seeking Appointment / Reappointment:

The brief particulars of the Director of the company, being eligible for re-appointment as Directors, retiring by rotation at the ensuing Annual General Meeting is as follows:

Mrs. Jayshree Lakhota retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

3. Committees of the board:

A. Audit Committee



Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act. The committee functions as prescribed under Section 292A of the Companies Act, 1956 and Clause 52 of the listing agreement. The members of the committee at present are:

Member of Audit Committee	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Vicky Jain	Chairman	Independent Director	2	2
Mr. Shailesh Mistry	Member	Independent Director	2	2
Mr. Madhusudan Lakhota	Member	Managing Director	2	2

During the year ended 31st March, 2013, 2 Audit Committee Meetings were held.

Terms of reference of the Audit Committee are broadly defined as under:

The Committee's terms of reference powers, role and functions are as stipulated in Clause 52 of the Listing Agreement and under Section 292 A of the Companies Act, 1956.

B. Remuneration Committee

Our Company has constituted a Remuneration/ Compensation Committee. The members of the said committee are:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Shailesh Mistry	Chairman	Independent Director
Mr. Sajan Choudhary	Member	Independent Director
Mr. Vicky Jain	Member	Independent Director

Terms of reference of the Remuneration Committee include the following:

1. Recommending /reviewing remuneration of the Managing Director and Whole-time Directors based on their performance and defined assessment criteria based on reference by the Board.
2. Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

C. Shareholders'/ Investors' Grievance Committee

Our Company has constituted a Shareholders'/Investors' Grievance Committee. The committee is formed to specifically look into the redressal of shareholder and investor complaints. The members of the committee at present are:

Name of Directors	Designation in the Committee	Nature of Directorship
Mr. Sajan Choudhary	Chairman	Independent Director
Mr. Madhusudan Lakhota	Member	Managing Director
Mr. Harish Khajanchi	Member	Executive Director

Terms of reference of the Shareholder's/Investor's Grievance Committee are:



1. It shall have the authority to investigate into any matter in relation to transfer of securities or referred to it by the Board and for this purpose, shall have full access to information contained in the records of our Company and external professional advice, if necessary.
2. To investigate any activity within its terms of reference.
3. To seek information from any employee.
4. To seek information from share transfer agents.
5. To obtain outside legal or other professional advice.
6. To secure attendance of outsiders with relevant expertise, if it consider necessary.
7. To approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities.
8. To approve share transfer / transmission of securities periodically, whether by circular resolution or otherwise.
9. To look into redressing of shareholders' complaint like transfer of shares, non-receipt of balance sheet, non receipt of declared dividends, etc.
10. To oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investors services.

Name, Designation and address of the Compliance Officer:

Mr. Vivek Rathi

158/159 Samaratha Sahkari Audyogik Vasahat Ltd.

Pimpal- Gaon (Baswant),

Tal Niphad, District Nashik,

Maharashtra- 422209

Tel: +91 2550-252300

Fax: +91 2550-252300

Email address: info@lakhotiapolym.in

Status of Complaints received, resolved and pending as on 31st March, 2013

Number of Shareholders' Complaints received during the year	Nil
Number of Shareholders' Complaints resolved during the year	Nil
Number of Shareholders' Complaints Pending at the end of the year	Nil

D. IPO Committee

Our Company had constituted an IPO Committee. The said committee was so formed to cater to the smooth functioning of the IPO process. The said committee is comprised as under:

Name of Directors	Designation in the Committee	Nature of Directorship
Mr. Madhusudan Lakhota	Chairman	Managing Director
Mr. Harish Khajanchi	Member	Executive Director
Mr. Vicky Jain	Member	Independent Director

Policy on Disclosure and Internal procedure for prevention of Insider Trading

Mr. Vivek Rathi, Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

4. General Body Meetings:



The details of date, time and location of annual general meetings held in the last three years are as under:-

Year	Date of AGM	Day	Time	Venue
2011-12	Sept 29, 2012	Saturday	11:00 AM	158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India
2010-11	Sept 30, 2011	Friday	11:00 AM	158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India
2009-10	Sept 30, 2011	Thursday	11:00 AM	158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India

No. of Special resolutions passed during the last three AGM's :-

AGM	No. of Special Resolution
2011-12	NIL
2010-11	NIL
2009-10	NIL

Postal Ballot:-

At the forthcoming Annual General Meeting, there is no resolution proposed to be approved by postal ballot.

5. Disclosures:

a) Related Party Transaction:

The Company had not entered into any transaction of a material nature, which will have a conflict with its interest during the year. The disclosure of related party transactions as required by the Accounting Standard (AS) 18 on 'Related Party Disclosers' issued by the Institute of Chartered Accountants of India (ICAI) is given under Note No. 20 of Notes to the Financial Statements. All the transaction covered under related party transaction were fair, transparent and at arm's length.

b) Statutory Compliance, Penalties and Strictures:

The Company has complied with all the requirements of the listing agreements with the stock exchanges as well as regulations and guidelines of SEBI. No penalties have been imposed or stricture has been issued by SEBI, stock exchanges or any Statutory Authorities on matters relating to capital markets during the last three years.

The Company has followed all relevant accounting standards notified by the Companies Accounting Standards Rules 2006 and relevant provisions of the Companies Act, 1956 while preparing its financial statements.

c) Whistle Blower Policy:

The Company has framed a Code of Conduct for Directors and Senior Management. At present, the Company does not have any formal Whistle Blower Policy.



d) Proceeds from the Initial Public Offer of the Company:

The Details about the utilization of the proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not utilized these funds for the purposes other than those mentioned in the Prospectus of the Company.

e) Reconciliation of Share Capital Audit:

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

f) Status of Compliance with non-mandatory requirements:

i. The Board:

No separate office for the Chairman is maintained, and hence no reimbursement is made towards the same. No Specific tenure has been specified for the Independent Director. However, they are liable to retire by rotation and seek re-appointment by the Members.

ii. Remuneration Committee:

Details regarding Remuneration Committee are provided and forms part of this report.

iii. Shareholders' Right:

The Company has posted its half yearly and annual financial results on its website i.e. www.lakhotiapoly.in

iv. Audit Qualification:

There are no audit qualifications in the financial statements for the financial year 2012-13. Standard practices and procedures are followed to ensure unqualified financial statements..

v. Mechanism for evaluating Non-Executive Board Members:

The Company presently does not have any formal mechanism for evaluating Non-Executive Board Members.

vi. Whistle Blower Policy:

At present, the Company does not have any formal Whistle Blower Policy.

6. Means of Communications:

The half yearly and annual results are communicated to Bombay Stock Exchange where the Company's shares are listed as soon as the same are approved and taken on record by the Board of Directors of the Company. Further the results are not sent individually to the shareholders. These results are simultaneously posted on the website for the Company at www.lakhotiapoly.in

7. Code of Conduct:

The Board of Director has adopted the Code of Business Conduct and Ethics for Director and Senior Management. The said Code has been communicated to the Directors and members of the Senior Management.



8. General Shareholders Information:

a)	Annual General Meeting	
	(1) Date and Time	13th September, 2013 5:00 pm
	(2) Venue	158/159 Samaratha Sakhari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India
b)	Financial Year	The Financial Year of the Company is from 1st April to 31st March of the following year.
c)	Book Closure Date	10th September 2013 to 13th September 2013
d)	Listing on stock exchange	SME Platform of BSE Limited
e)	Scrip Code	535387
f)	NSDL/CDSL – ISIN	INE191001010
g)	CIN Number	L17120MH2005PLC155146
h)	Registrar and Share Transfer Agent	Sharex Dynamic (India) Private Limited Unit No.1, Luthra Ind. Premises. 1st Floor, 44-E, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai 400 072

9. Share holding pattern as on 31.03.2013:

Sr. No.	Category	No. of Shares	% (Percentage)
1	Promoters (Including Promoters Body Corporate)	1188710	31.78
2	Body Corporate	1708000	45.66
3	Resident Individuals and HUF	624000	16.68
4	Market Makers	220000	5.89
	TOTAL	3740710	100.00

10. Distribution of Shareholding as on 31.03.2013:

No. of Shares held	No. of Shareholders	%	No. of Shares	%
1 to 5000	154	90.05	616000	16.47
5001 to 10000	1	0.58	8000	0.21
10001 to 20000	1	0.58	16000	0.42
20001 to 30000	0	0.00	0	0.00
30001 to 50000	1	0.58	48000	1.28
50001 to 100000	6	3.50	422030	11.28
100001 onwards	8	4.67	2630680	70.32

11. Share Transfer System:



Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI). Sharex Dynamic (India) Limited handles both Demat and Physical Shares Transfers.

The Share Transfers which are received in physical form are processed and the share certificates are returned within 21 days from the date of receipt, subject to Documents being valid and complete in all respects.

12. Dematerialisation of Shares:

As on 31st March, 2013, 37,40,710 Equity shares were in dematerialized form representing 100% of total share capital of the Company.

13. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity. :

NIL

14. Plant Locations:

Location	Activity
Plot 158, 159, 160, 161, 162, Shree Samartha Sahakari Audyogik Vasahat Ltd., Pimpalgaon Baswant, Taluka - Niphad, District Nashik, Maharashtra	Metallic Film Manufacturing, Lacquer Coated Metallic Yarn Manufacturing, Chemical Resistant Films Manufacturing
S. No 329/2, Plot No 11 (Part) + 12+13+14 (Part), Near Rajasthani School, Malegaon, (Nashik) – 423203	Grey Fabric Manufacturing

15. Address for Correspondence:

Company:

Lakhota Polyesters (India) Limited

158/159 Samaratha Sahkari Audyogik Vasahat Ltd.,
Pimpal- Gaon (Baswant), Tal.- Niphad,
Nashik – 422209, Maharashtra, India

Registrar and Share Transfer Agent:

Sharex Dynamic (India) Private Limited

Unit No.1, Luthra Ind. Premises.
1st Floor, 44-E, M Vasanti Marg,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai - 400 072



Auditors' Certificate on Corporate Governance

To
The Members of
Lakhotia Polyesters (India) Limited

We have examined the compliance of conditions of corporate governance by Lakhotia Polyesters (India) Limited, for the year ended on March 31, 2013, as stipulated in clause 52 of the Listing Agreement of the said Company with stock exchange(s) in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

As per Out Report of Even Date
For **SABADRA & SABADRA**
CHARTERED ACCOUNTANTS
FRN: 108921W

Place: **Nashik**
Date: 29.05.2013

Sd/-
Mr. ANANT N. SABADRA
Partner
Membership No. **033683**



Independent Auditor's Report

To the Members of **LAKHOTIA POLYESTERS (INDIA) LIMITED**
Report on the Financial Statements

We have audited the accompanying financial statements of **LAKHOTIA POLYESTERS (INDIA) LIMITED**. ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the PROFIT of the Company for the year ended on that date, and



- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

SABADRA & SABADRA
CHARTERED ACCOUNTANTS
Firm Registration No: **108921W**

Sd/-
ANANT N SABADRA, FCA
Membership No: **033683**
Place: Nashik
Date: 29.05.2013



ANNEXURES TO AUDITORS REPORT

Referred to in paragraph having reference to “Report on Other Legal and Regulatory Requirements” of our report of even date on the financial statements for the year ended 31st March 2013 on the basis of test checks as were considered appropriate and according to the records of the company and information and explanation given to us during the course of audit, we report that –

- (i)(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (i)(b) Fixed assets have been physically verified by the management during the year at all its offices at reasonable intervals. No material discrepancies were noted on such verification.
- (i)(c) During the year, there was no sale of substantial part of fixed assets and hence, the going concern of the company has not affected.
- (ii)(a) The inventories at all business places have been physically verified by the management from time to time. In our opinion, the frequency of verification is reasonable.
- (ii)(b) In our opinion and according to the explanations given to us, the procedure of physical verification of the inventories followed by the management is reasonable and adequate in relation to the size of company and nature of business.
- (ii)(c) The company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii)(a) The company has granted loans/advances, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The year end balances in respect of such advances are to the tune of Rs. 42.38 Lakhs Based upon the management representations as made to us, we report that these advances are towards business transactions and in the normal course of business activity of the company.
- (iii)(b) The company has taken loans, during the year from companies, firms and parties covered in the Register maintained under Section 301 of the Companies Act, 1956 The year end balances in respect of loans taken from related parties is Rs. 38.64 Lakhs and from others is Rs. 24.24 Lakhs (Aggregating to 63.41 Lakhs)
- (iii)(c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the loans taken by the company, are not prima facie prejudicial to the interest of the company. The principal amounts are in the nature of long term loans, while interest thereon is payable annually at the discretion of the company. In respect of said loans and interest thereon, there are no overdue amounts.
- (iv) There are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.



- (v)(a) In our opinion and according to the information and explanation given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 has been recorded.
- (v)(b) In our opinion and according to the information and explanation given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 are entered into at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has neither accepted nor invited any deposits falling within the purview of section 58A or section 58AA of the Companies Act, 1956 during the financial year.
- (vii) The company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956.
- (ix)(a) The company is regular in depositing undisputed statutory dues with the appropriate authorities.
- (ix)(b) According to the information and explanation given to us, there are no undisputed unpaid statutory dues pending for more than six months.
- (x) The company has no accumulated losses as on 31st March 2013. The company has not incurred any loss during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based upon our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to the banks/financial institutions.
- (xii) In our opinion and according to the explanation and information given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
- (xiii) In our opinion, the company is not chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii)(a),(b),(c)&(d) of the Order are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the company.
- (xv) In our opinion, according to the explanation and information given to us, the company has not given guarantees for loans taken by others from the banks or financial institution.
- (xvi) The company has not availed any fresh Term Loan from any financial institution, during the period under review. The term loan outstanding at the beginning of the year has been applied for the purpose for which they were raised.



- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment and no fund raised on long term basis have been used for short term investment.
- (xviii) The company has made preferential allotment of shares during the year to the parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
- (xix) The company has not issued any debentures during the year and therefore question of creating security in respect thereof does not arise.
- (xx) The company has made public issue during the year and the process of listing spans over to the next financial year; consequently the funds raised there from continue to remain in the designated bank account for the purpose.
- (xxi) According to the information and explanations given to us, based upon the audit procedures performed and representation made by the management, we report that no fraud on or by the company noticed or reported during the course of our audit.

As per Out Report of Even Date
For **SABADRA & SABADRA**
CHARTERED ACCOUNTANTS
FRN: 108921W

Place: **Nashik**
Date: 29.05.2013

Sd/-
Mr. ANANT N. SABADRA
Partner
Membership No. **033683**



BALANCE SHEET AS AT 31.03.2013

PARTICULARS	Note No.	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
A			
<u>EQUITY AND LIABILITIES</u>			
1 Shareholders' funds			
(a) Share capital	1	37407100	10473100
(b) Reserves and surplus	2	68757367	2199357
(c) Money received against share warrants		0	0
SUB TOTAL OF SHAREHOLDERS FUND		106164467	12672457
2 Share application money pending allotment		0	0
3 Non-current liabilities			
(a) Long-term borrowings	3	6341773	10042687
(b) Deferred tax liabilities (net)	4	1776786	1714555
(c) Other long-term liabilities		0	0
(d) Long-term provisions		0	0
SUB TOTAL OF NON CURRENT LIABILITIES		8118559	11757242
4 Current liabilities			
(a) Short-term borrowings	5	29176864	19264643
(b) Trade payables	6	3103093	12015368
(c) Other current liabilities	7	469159	233952
(d) Short-term provisions	8	1250983	181957
SUB TOTAL OF CURRENT LIABILITIES		34000099	31695920
TOTAL ₹		148283125	56125619



B ASSETS

1 Non-current assets

(a) Fixed assets			
(i) Tangible assets	9	12567619	13467454
(ii) Intangible assets		0	0
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(v) Fixed assets held for sale		0	0
SUB TOTAL OF FIXED ASSETS		12567619	13467454
(b) Non-current investments	10	38001000	1000
(c) Deferred tax assets (net)		0	0
(d) Long-term loans and advances		0	0
(e) Other non-current assets	11	3082627	1174427
SUB TOTAL OF OTHER NON CURRENT ASSETS		41083627	1175427

2 Current assets

(a) Current investments	12	225000	0
(b) Inventories	13	16586242	10051874
(c) Trade receivables	14	20487003	26185902
(d) Cash and cash equivalents	15	52237826	817210
(e) Short-term loans and advances	16	4221800	3610103
(f) Other current assets	17	874008	817649
SUB TOTAL OF CURRENT ASSETS		94631879	41482738
TOTAL ₹		148283125	56125619

See accompanying notes forming part of the financial statements

As per Our Report attached
For **SABADRA & SABADRA**
CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors
LAKHOTIA POLYESTERS (INDIA) LIMITED

Sd/-
ANANT N. SABADRA, FCA
MEM NO. **033683**
FRN - **108921W**
Nashik
Date: 29.05.2013

Sd/-
Madhusudan Lakhotia
Chairman & Managing Director

Sd/-
Jayshree Lakhotia
Director



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2013

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹	₹
A CONTINUING OPERATIONS			
1 Revenue from operations (Gross)	P - 1	70692045	79329067
Less: Excise duty / Service Tax		0	0
Revenue from operations (Net)		70692045	79329067
2 Other income	P - 2	100500	0
3 Total revenue (1+2)		70792545	79329067
4 Expenses			
(a) Cost of materials consumed	P - 3	54782825	64307446
(b) Purchases of stock-in-trade		0	0
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		0	0
(d) Employee benefits expense	P - 4	4578078	4485300
(e) Finance costs	P - 5	3940723	3212987
(f) Depreciation and amortisation expenses	9	923335	874415
(g) Other expenses	P - 6	5001800	5318713
Total expenses		69226761	78198861
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		1565784	1130206
6 Exceptional items		0	0
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		1565784	1130206
8 Extraordinary items		0	0
9 Profit / (Loss) before tax (7 ± 8)		1565784	1130206
10 Tax Expense			
(a) Current tax expense for year		562129	277754
(b) (Less): MAT credit (where applicable)		0	62393
(c) Current tax expense relating to prior years		62394	0
(d) Net current tax expense		499735	340147
(e) Deferred tax	8	62231	157456
Total Tax Expense		561966	497603
11 Profit / (Loss) from continuing operations (9 ± 10)		1003818	632603
B DISCONTINUING OPERATIONS			
12.i Profit / (Loss) from discontinuing operations (before tax)		0	0
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		0	0
12.iii Add / (Less): Tax expense of discontinuing operations		0	0



	(a) on ordinary activities attributable to the discontinuing operations	0	0
	(b) on gain/(loss) on disposal of assets/settlement of liab.	0	0
13	Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)	0	0
C	TOTAL OPERATIONS	1003818	632603
14	Profit / (Loss) for the year (11 + 13)	1003818	632603
15.i	Earnings per share (of ₹ 10/- each)		
	(a) Basic		
	(i) Continuing operations	0.56	0.60
	(ii) Total operations	0.56	0.60
	(b) Diluted		
	(i) Continuing operations	0.56	0.60
	(ii) Total operations	0.56	0.60
15.ii	Earnings per share (excl. extraordinary items) (of ₹ 10/- each)		
	(a) Basic		
	(i) Continuing operations	0.56	0.60
	(ii) Total operations	0.56	0.60
	(b) Diluted		
	(i) Continuing operations	0.56	0.60
	(ii) Total operations	0.56	0.60

See accompanying notes forming part of the financial statements

As per Our Report attached
For **SABADRA & SABADRA**
CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors
LAKHOTIA POLYESTERS (INDIA) LIMITED

Sd/-
ANANT N. SABADRA, FCA
MEM NO. **033683**
FRN - **108921W**
Nashik
Date: 29.05.2013

Sd/-
Madhusudan Lakhotia
Chairman & Managing Director

Sd/-
Jayshree Lakhotia
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

PARTICULARS	Amount in ₹ Year ended 31.03.2013	Amount in ₹ Year ended 31.03.2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extra Ordinary Items	1565784	1130206
Adjustments for :		
Depreciation on Fixed Assets	923335	874415
Foreign Exchange	0	0
Investments	0	0
Interest/Dividend	0	0
Operating Profit before working capital changes	2489119	2004621
Adjustments for :		
Changes in Working Capital	-1607281	-3666766
Cash Generated from Operations	881838	-1662145
Interest Paid		
Direct Taxes Paid		
Cash flow before Extra Ordinary Items	881838	-1662145
Extra Ordinary Items		
Net Cash Flow from Operating Activities (A)	881838	-1662145
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Purchase / Transfer of Fixed Assets	-23500	-1193492
Sale of Fixed Assets	0	0
Acquisition of Co's	0	0
Purchase of Investments	-38225000	0
Sale of Investments	0	0
Interest Recd	0	0
Dividend Recd	0	0
Net Cash Flow from Investing Activities (B)	-38248500	-1193492
Total (A+B)	-37366662	-2855637
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	92488192	0
Proceeds From Long Term Borrowings	-3700914	3465917
Repayment of Finance Lease Liabilities	0	0
Dividend Paid	0	0
Net cash generated from financing activities (C)	88787278	3465917
Net Increase in cash and cash equivalents (A+B+C)	51420616	610280
Cash and cash equivalents as at opening	817210	206930
Cash and cash equivalents as at closing	52237826	817210



Notes to the Financial Statements for the year ended March 31, 2013

01. COMPANY OVERVIEW:

Lakhotia Polyesters India Limited (the Company) is a public limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange in India. The company is engaged in manufacturing and selling of textile yarn for catering to the domestic and international markets. The company is engaged in the business of manufacturing of lacquer coated Polyester Films, transfer foils and M type metallic yarns, which are appropriate for textile, printing, decoration, and packing industry and manufacturing of grey fabrics used in sarees and as interline cloth. The yarns produced by the company are used for made ups in apparels, hosiery and garment industry.

02. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation –

- A) The financial statements of the company have been prepared & presented in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. The company has prepared these Financial Statements to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.
- B) The company had adopted revised schedule VI notified under the Companies Act for preparation & presentation of its Financial Statements for the ended 31st March 2012. This has no impact on recognition & measurement principles followed for preparation of financial statements. The Company has re-classified previous year's figures in accordance with the requirement as applicable in the current year.
- C) The Accounting policies adopted in preparation of Financial Statements are consistent with those followed in previous year.

2. USE OF ESTIMATES –

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make estimates & assumptions that affect the reported amount of assets & liabilities (Contingent liabilities) and the reported amounts of revenues & expenses for the year. The management believes that estimates used in preparation of financial statements are prudent & reasonable. All though these estimates are based on management's best knowledge of current events & actions, uncertainty about these assumptions and estimates could result in the outcome different from the estimate.

Estimates and underlying assumptions are reviewed on an ongoing basis any revision to the accounting estimates is recognized prospectively in the current & future period.

3. TANGIBLE FIXED ASSETS -



Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

4. DEPRECIATION –

Depreciation has been provided on the SLM method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. No depreciation is claimed on the assets as merged / acquired at the year end.

5. IMPAIRMENT OF ASSETS –

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

6. BORROWING COST -

Borrowing costs, other than those incurred for acquisition of fixed assets are recognized in the statement of Profit and Loss in the period they occur. Borrowing cost consists of Interest and other costs incurred in connection with the borrowing of the funds.

7. INVESTMENTS -

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Non-Current investments are stated at cost.

8. INVENTORIES -

Inventories are valued at the lower of cost or the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Inventories at all places are taken as certified by the management.

9. CASH AND CASH EQUIVALENTS -

Cash and Cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short term highly liquid investments with an original maturity of three months or less.

10. REVENUE RECOGNITION -

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

SALE OF GOODS -



Revenue is recognized when the significant risks and rewards of the ownership of the goods have been passed to the buyer. Sales are disclosed at net of VAT as applicable and also net of returns.

11. OTHER INCOME -

Insurance claims receipts are recognized on receipt basis.

12. ACCOUNTING OF CLAIMS-

Claims payable are accounted at the time of the acceptance. Claims raised by the Government Authorities regarding taxes and duties, which are disputed by the company, are accounted based upon the merits of the claim.

13. GOVERNMENT GRANTS AND SUBSIDIES-

Government grants and subsidies are recognized when there is a reasonable assurance that the conditions attached to them will be complied, and grant/subsidy will be received.

Government grants of the nature of promoter's contribution are credited to the reserves and are treated as a part of the shareholder's fund.

14. INCOME TAXES-

Tax expenses comprise of the current and deferred tax includes any adjustments treated to past periods in current and or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

Deferred Income Taxes reflect the impact of the current year's timing difference between the taxable income and accounting income for the year and reversal of the timing differences of the earlier periods.

Deferred tax is measured based upon the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet Date. Deferred Tax Assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of the deferred tax is reviewed at each Balance Sheet date. The company writes down the carrying amount of the deferred tax assets to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

15. PROVISIONS AND CONTINGENT LIABILITIES-

A provision is recognized when the company has a present obligation as a result of the past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based upon the best estimate required to settle the obligation at the reporting period.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that



an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

16. CONTINGENT LIABILITIES NOT PROVIDED FOR -

The company, promoters, directors and certain group promoted entities are a party to litigation with the customs departments for import of certain materials based upon alleged “misleading information”. The matter is pending in Appeal before the Central Excise and Customs Appellate Tribunal, Mumbai and before the High Court, Mumbai. The total demand in the matter raised by the adjudicating authorities is to the tune of Rs. 220.91 Lakhs against company and Rs. 42.00 Lakhs against Shri M.S. Lakhotia, the Managing Director of the company. The amounts as stated are ex interest thereon.

Pursuant to the directions received from the above authorities, the company has deposited a sum of Rs. 24.00 Lakhs as pre deposit for appeal.

On the basis of expert legal advice in the matter the management of the company is of the opinion that the matter will be decided in its favour and hence the company has not provided for the sums as stated above in its books of accounts for the period under this report and the same is treated as “Contingent Liability”

17. EARNINGS PER SHARE-

Basic earning per share is calculated by dividing the net profit or the loss for the year attributable to equity shareholders by the weighted number of equity shares outstanding at the end of the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted number of equity share outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

18. CURRENT / NON CURRENT-

All assets and liabilities are presented as Current or Non-Current as per the company’s normal operating cycle and other criteria set out in the revised Schedule VI of the Companies Act, 1956. Based upon the nature of products and the time between the acquisition of assets for processing and their realization, the company has ascertained its operating cycle as 12 months for the purpose of current/non - current classification of assets and liabilities.

19. SEGMENT REPORTING-

The company is predominantly in the business of “Man Made Yarn” and as such there are no separate reportable segments. The company’s operations are predominantly only in India.

20. RELATED PARTY DISCLOSURE/TRANSACTIONS WITH KEY MANAGEMENT PERSONNAL-

<u>Name of the Concern / Personal</u>	<u>Nature of Payment</u>	<u>Amount in Rs.</u>
Mr. Madhusudan Lakhotia	Directors Remn.	480000/-
Mrs. Jayshree Lakhotia	Directors Remn.	160000/-
	Interest	7490/-
Mr. Harish Khajanchi	Directors Remn.	41136/-



Mrs. Kanchandevi Lakhotia	Remuneration	100000/-
	Rent	180000/-
	Interest	160850/-
Jagdish Fabrics	Rent	60000/-
Shyam Sunder Lakhotia (HUF)	Interest	34643/-
Dhanraj Lakhotia	Interest	118300/-
Sujata Lakhotia	Salary	297500/-
	Interest	44660/-
S.C. Threads (I) Pvt Ltd	Job Work	961996/-

21. PAYMENT TO AUDITORS –

Company Law Matters	25000/-
Taxation and Allied Matters	25000/-
Certifications and Others	10000/-
Total	60000/-

Note: The above provision is exclusive of Service Tax Payable thereon.

22. OTHERS -

- Certain Balance representing Debtors and Creditors are subject to reconciliation and receipts of confirmation from parties, pursuant to confirmation requests sent by the company.
- Figures have been regrouped/reclassified/reinstated wherever necessary to make the comparison meaningful.

For **Lakhotia Polyester (India) Limited**

As per Out Report of Even Date
For **SABADRA & SABADRA**
CHARTERED ACCOUNTANTS
FRN: **108921W**

Sd/-

Madhusudan Lakhotia
Managing Director

Sd/-

Jayshree lakhotia
Director

Mr. ANANT N. SABADRA
Partner

Membership No. **033683**

Place: Nashik

Date: 29.05.2013



NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2013

PARTICULARS		As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 1	SHARE CAPITAL		
	<u>AUTHORISED SHARE CAPITAL</u>		
	Number of Equity Shares	4000000	1150000
	Par value per share	10	10
	AUTHORISED SHARE CAPITAL	40000000	11500000
	<u>PAID UP CAPITAL</u>		
	Number of Equity Shares	3740710	1047310
	Par value per share	10	10
	PAID UP CAPITAL	₹ 37407100	10473100

RECONCILIATION OF NUMBER OF SHARES AT THE BEGINNING AND PERIOD ENDING 31.03.2013

Particulars	FINANCIAL YEAR ENDING	
	31.03.2013	31.03.2012
Opening Balance	1047310	500000
Fresh Issue (Consideration other than Cash)	0	355000
Fresh Issue	2693400	
Bonus	0	192310
Buy Back	0	0
Transfers	0	0
Closing Balance	3740710	1047310

RECONCILIATION OF AMOUNT OF SHARE CAPITAL AT THE BEGINNING OF THE YEAR AND AS ON 31.03.2013

Particulars	FINANCIAL YEAR ENDING	
	31.03.2013	31.03.2012
Opening Balance	₹ 10473100	5000000
Fresh Issue (Consideration other than Cash)	₹ 0	3550000
Fresh Issue	₹ 26934000	0
Bonus	₹ 0	1923100
Buy Back	₹ 0	0
Transfers	₹ 0	0
Closing Balance	₹ 37407100	10473100

Note: Of the Above Shares, the company capitalised its profit by issue of 192310 equity shares amounting to Rs. 1923100/- as bonus shares during F.Y. 2011 - 12

Note: Of the Above Shares, the company issued 355000 equity shares amounting to Rs. 3550000/- against business purchase agreement during F.Y. 2011 - 2012

SHAREHOLDERS HOLDING MORE THAN 5% OF THE PAID UP CAPITAL

S NO.	Name of Shareholder	No. of Shares held	Amt of shares held ₹	%
1	SANWARIA VINCOMM PVT. LTD.	1100000	11000000	29.41
2	MRS. KANCHANDEVI LAKHOTIYA	263080	2630800	7.03
3	MADHUSUDAN LAKHOTIYA	503350	5033500	13.46
4	INTENSIVE SOFTSHARE PVT LTD	204000	2040000	5.45
5	HALDIRAM FOODS INT. PVT LTD.	192000	1920000	5.13

NOTE 2 RESERVE & SURPLUS

DIC SUBSIDY

Opening Balance		1000000	1000000
Addition during the year		0	0
Closing Balance	SUB TOTAL ₹	1000000	1000000



PROFIT & LOSS A/C

Opening Balance	1199357	1923534
Add : Profit for the year	1003818	632603
Add : MAT Entitlement	0	566320
Less : Capitalisation of Free Reserves	0	1923100
Closing Balance	SUB TOTAL ₹	2203175
		1199357

SECURITIES PREMIUM

Opening Balance	0	0
Addition during the year	67335000	0
Less - Issue Expenses	1780808	0
Closing Balance	SUB TOTAL ₹	65554192
		0

GRAND TOTAL ₹	68757367	2199357
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NOTE 3 LONG TERM BORROWINGS

a) Installments of Term Loans More than 1 Year

From Union Bank Of India A/c No. 453	52703	159855
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Rate of Interest - 13.25 %

SECURED BY WAY OF -

(i) Charge on the fixed Assets of the Co.

(ii) Personal Guarantee of Directors

SUB TOTAL ₹	52703	159855
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b) UNSECURED LOAN

- FROM RELATED PARTY

Madhusudan Lakhotia - HUF	0	480191
Kanchandevi Lakhotia	2832801	2549958
Jayashree Lakhotia	131798	118631
Jagdish Fabrics	0	693386
Shyamsunder Lakhotia	290000	74159
Shyamsunder Lakhotia - HUF	610134	549215

SUB TOTAL ₹	3864733	4465540
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- FROM OTHERS

Dhanraj Nilchand Lakhotia	0	2464445
Sujata Lakhotia	0	930411
Manjudevi Lakhotia	0	13008
Ramjiwani D. Lakhotia	0	778753
Sushila Lakhotia	0	22188
Mohd. Anwar	0	208487
Kellog Mercantile Pvt Ltd	1424337	0
Zomawi Electronic	1000000	1000000

SUB TOTAL ₹	2424337	5417292
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GRAND TOTAL ₹	6341773	10042687
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No written agreements has been executed between the company and the parties.

NOTE 4 DEFERRED TAX LIABILITIES

The accounting treatment for income - tax in respect of the company's income is based on the Accounting Standard 22 on 'Accounting for taxes on income' as notified by the Companies (Accounting Standards) Rules, 2006. The provision made for income tax in the accounts comprises both, the Current Tax and Deferred Tax. The deferred tax assets and liabilities for the year, arising on account of timing differences, are recognized in the statement of Profit & Loss and the cumulative effect thereof is reflected in the Balance Sheet.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and liabilities are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed depreciation or carried forwarded losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that the same can be realized against future taxable profits.

The effect of the significant timing differences that result in the deferred tax assets and liabilities at the end of the year are given as under :

Particulars	Current Year	Previous Year
<u>Deferred Tax Liabilities -</u>		
Tax on Depreciation Difference	1776786	1714555
	1776786	1714555
<u>Deferred Tax Assets -</u>		
Tax on Others	0	0
	0	0
Total DTL carried Forward in the Balance Sheet	1776786	1714555
Deferred Tax to be recognised in the P&L A/c	62231	

NOTE 5 SHORT-TERM BORROWINGS

a) Loans repayable on demand - CC

From Union Bank Of India A/c No. 72021

29026764

19116623

Rate of Interest - 14.65%

SECURED BY WAY OF -

(i) Hypothecation Of Stock & Debtors

(ii) Personal Guarantee of Directors

b) Installments of Term Loans Less than 1 Year

From Union Bank Of India A/c No. 453

150100

148020

Rate of Interest - 13.25%

SECURED BY WAY OF -

(i) Charge on the fixed Assets of the Co.

(ii) Personal Guarantee of Directors

GRAND TOTAL ₹

29176864

19264643



NOTE 6

TRADE PAYABLES

Sundry Creditors (Materials)

- Materials (List Enclosed)	3581233	12015368
- Jagdish Textiles (As per list)	211043	0
(Net of Advances to Suppliers ₹ 35,435/ for. F.y. 2011-12)		
(Net of Advances to Suppliers ₹ 20,949/- for. F.y. 2012-13)		
Advance to Creditors - Lakhotia Textiles	689183	0

GRAND TOTAL ₹	3103093	12015368
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NOTE 7

OTHER CURRENT LIABILITIES

Directors Remuneration Payable	469159	131406
P.D.S. Legal	0	102546

GRAND TOTAL ₹	469159	233952
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NOTE 8

SHORT - TERM PROVISIONS

a]

Provision - Statutory Dues:

Provision for tax

Current Year Provision	310249	277754
Less : Advance Tax & TDS	19700	625000

290549	-347246
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TDS Payable	190868	252353
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Profession Tax Payable	3400	3275
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CST Payable	0	220005
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SUB TOTAL ₹	484817	128387
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Provision - Others:

Audit Fees	54000	20500
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VAT Consultancy Charges Payable	7500	3000
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Professional Charges Payable	14700	29500
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Kanchandevi Lakhotia	0	-4000
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N. G. Joshi C & F Agents Pvt Ltd	4570	4570
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IPO Expenses payable	685396	0
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SUB TOTAL ₹	766166	53570
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GRAND TOTAL ₹	1250983	181957
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NOTE 9
FIXED ASSETS
METHOD OF DEPRECIATION - SLM

SR. NO.	ASSET	RATE	GROSS BLOCK			DEPRECIATION			NET BLOCK AS ON	
			OP. BAL.	ADD/(DED)	TOTAL	OP. BAL.	FOR THE YEAR	TOTAL	31.03. 2013	31.03.2 012
<u>TANGIBLE ASSETS</u>										
1	Box Strapping Machine	4.75%	32240	0	32240	13214	1531	14745	17495	19026
2	Building	3.34%	1288998	0	1288998	197567	43053	240620	1048378	1091431
3	Car	9.50%	1473348	0	1473348	450083	139968	590051	883297	1023265
4	CCTV Camera	4.75%	116456	0	116456	6987	5532	12519	103937	109469
5	Computer & Software	16.21%	329607	0	329607	148860	53429	202289	127318	180747
6	Duplex Slitter	4.75%	1908179	0	1908179	420780	90639	511419	1396760	1487399
7	Electrical Equipments	4.75%	351858	0	351858	47851	16713	64564	287294	304007
8	Electrical Installation	4.75%	132737	0	132737	31611	6305	37916	94821	101126
9	Electronic Weighing Machine	4.75%	1140	0	1140	0	54	54	1086	1140
10	Film Coating Machine	4.75%	8020845	0	8020845	1884013	380990	2265003	5755842	6136832
11	Fire Extinguisher	4.75%	28530	0	28530	3689	1355	5044	23486	24841
12	Furniture & Fixture	6.33%	161666	0	161666	40504	10233	50737	110929	121162
13	Invertor	4.75%	0	23500	23500	0	426	426	23074	0
14	Machinery - Micro Sliter	4.75%	3187432	0	3187432	786642	151403	938045	2249387	2400790
15	Machinery	4.75%	113738	0	113738	15	5403	5418	108320	113723
16	Mobile Phones	4.75%	20549	0	20549	2084	976	3060	17489	18465
17	Motor Cycle - Hero Honda	9.50%	58490	0	58490	6802	5557	12359	46131	51688
18	Plot - 160 / 161	0.00%	119370	0	119370	0	0	0	119370	119370
19	Plot at Pimpalgaon	0.00%	67250	0	67250	0	0	0	67250	67250
20	Printer	16.21%	31000	0	31000	26254	4746	31000	0	4746
21	Refrigerator	4.75%	21400	0	21400	2543	1017	3560	17840	18857
22	Water Filter	4.75%	6990	0	6990	1688	332	2020	4970	5302
23	Weight Scale	4.75%	77328	0	77328	10510	3673	14183	63145	66818
TOTAL ₹			17549151	23500	17572651	4081697	923335	5005032	12567619	13467454

Previous Year TOTAL ₹

16228232	1320919	17549151	3207282	874415	4081697	13467454	13020950
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NOTE : Land and Building of Factory Premises at Pimpalgaon are on lease hold basis and other assets are charged with UBI for credit facilities as sanctioned.

NOTE 10 NON-CURRENT INVESTMENTS

Shares - Shree Samarth Ind. Estate

1000

1000

Kavita Fabrics Ltd

38000000

0

(950000 Equity Shares @ Rs. 40/- each)

(Market Value as on Balance Sheet Date)



Rs. 39.10/- per share)

TOTAL ₹	38001000	1000
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NOTE 11 OTHER NON CURRENT ASSETS

BSE India Limited - Security Deposit	508200	0
Reliance Communications - Internet Depd	3000	3000
MSEDCL Deposit	86710	86710
Water Deposit	3000	3000
Sushila G Malu	16717	16717
Office Deposit at Surat	50000	50000
Custom Duty Advance	2400000	1000000
Share Deposit with Shree Samarth Ind Estates	15000	15000

TOTAL ₹	3082627	1174427
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NOTE 12 CURRENT INVESTMENTS

Birla Sunlife Mutual Fund	200000	0
Pra America Mutual fund	25000	0

TOTAL ₹	225000	0
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NOTE 13 INVENTORIES

Stock in trade @ Factory	9293046	8091177
Stock in trade @ Surat Office	3352360	1102748
Stock @ Textile unit	3940836	857949

TOTAL ₹	16586242	10051874
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NOTE 14 TRADE RECEIVABLES

More than Six Months

Secured, considered good	0	0
Unsecured, considered good	14303457	8244046
Doubtful	0	0

Less than Six Months

Secured, considered good	0	0
Unsecured, considered good	6183546	17941856

(Net of Advances)

Doubtful	0	0
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TOTAL ₹	20487003	26185902
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NOTE 15 CASH & CASH EQUIVALENTS

CASH IN HAND

(a) Cash in hand - Head Office	234883	754236
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(b) Cash in Hand - Surat Office	229453	3092
(c) Cash in Hand - Textile unit	213318	0
SUB TOTAL ₹	677654	757328

BALANCES WITH BANKS

(i) In current accounts

- Axis Bank - Public Issue	50820000	0
- Bank of Baroda (CA A/c 047/916)	126443	0
- Union Bank Of India CA A/c No. 36122	364052	11118
- ICICI Bank Ltd - 600064	228720	0
- ICICI Bank Ltd	9957	11497
- ICICI Bank Ltd - C/A A/c No. 1140	11000	37267

SUB TOTAL ₹	51560172	59882
GRAND TOTAL ₹	52237826	817210

NOTE 16 SHORT TERM LOANS & ADVANCES

Kiran Saraf	0	-66600
Enfinite Etail Enterprises	0	180000
S C Threads Pvt. Ltd.	2235000	0
Jagdish Fabrics	1905800	3496703
Madhusudan Lakhotia - HUF	81000	0
TOTAL ₹	4221800	3610103

NOTE 17 OTHER CURRENT ASSETS

MAT Entitlement	252047	503927
<u>DUE FROM REVENUE AUTHORITIES</u>		
Income Tax Refund due FY 2011-12	409640	0
VAT Receivables	69529	297950
CST Receiveable	6483	0
Prepaid Professional Tax	4000	8000
Vat Refund - old	74727	0
Vat Refund due 2011 - 12	16917	0
SUB TOTAL ₹	581296	305950

Others:

Accrued Interest on FDR	0	7772
Ranjita Lalit Jain	37600	0
Amit Rathi	3065	0

SUB TOTAL ₹	40665	7772
GRAND TOTAL ₹	874008	817649



NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31.03.2013

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2013	31 March, 2012
		₹	₹

NOTE P - 1

REVENUE FROM OPERATIONS

SALES (Net of Returns)

- Sales - M S	645390	982245
- Sales - DEPB License Sales	0	101128
- Sales - C Form	5027569	11050962
- Sales - Surat Office	55615291	69634872
- Sales - Job Work	790393	0
- Sales - Gray Fabrics	9892295	0

SUB TOTAL ₹ **71970938** 81769207

Returns -

- Surat Office	600978	1969134
- Against C Form	677915	55539
- MS	0	415467

SUB TOTAL ₹ **1278893** 2440140

GRAND TOTAL ₹ **70692045** 79329067

NOTE P - 2

OTHER INCOME

Insurance Claim Received	100500	0
	100500	0

NOTE P - 3

COST OF MATERIALS CONSUMED

Opening Stock

- Stock at Factory	8091177	5403598
- Stock at Surat Office	1102748	1473715
- Packing Material	0	352500
- Gray Cloth & Chirag Cotton	857949	0



SUB TOTAL ₹	10051874	7229813
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Purchases -

- Job Work	2340876	3318460
- C FORM	24570465	12261470
- M S - 5%	12621729	15685787
- M S - 12.50%	0	17340
- OMS	779660	32343643
- VAT Retention A/c	557439	663446
- Purchase Tax Free	4045	0
- Purchase Cotton	1038669	0
Purchases of Trading goods at Surat Branch	7149017	3066450
Purchases at Lakhotia Textile unit of Company	12316163	0
Less: Discount on Purchases	60870	227089

SUB TOTAL ₹	61317193	67129507
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Closing Stock

- Stock at Factory	9293046	8091177
- Stock at Surat Office	3352360	1102748
- Chirag Cotton	3292800	158589
- Grey Cloth	648036	699360

SUB TOTAL ₹	16586242	10051874
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GRAND TOTAL ₹	54782825	64307446
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NOTE P - 4

EMPLOYEE BENEFITS EXPENSE

Salaries & Wages - Manufacturing	2756942	2544000
Salaries & Wages - Office	1040000	1221300
Directors Remuneration	781136	720000

TOTAL ₹	4578078	4485300
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NOTE P - 5

FINANCE COSTS

Interest paid on Bank Loans - Union Bank of India

- Term Loan A/c. No.460	0	74397
- Car Loan A/c. No.453	32529	27188
- Working Capital Loan A/c. No. 72021	3320899	2350107
Interest paid - Others	587295	761295

TOTAL ₹	3940723	3212987
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**NOTE P - 6****OTHER EXPENSES**DIRECT EXPENSES

Electricity Expenses	2387217	2475382
Factory Expenses	116099	347030
Freight & Octroi Expenses	607993	353420
Packing Material	11070	12655
Rent - Shed	60000	0
Rent for Factory	90000	0
SUB TOTAL OF DIRECT EXPENSES	₹ 3272379	3188487

INDIRECT EXPENSES

Advertisement	50562	0
Audit Fees	67500	59000
Bank Charges	65997	492419
Commission Expenses	300000	307759
Computer Repairs and Maintainance	2780	18133
Directors Sitting Fees	36000	0
Discount Expenses	86105	104083
Electricity Expenses - Office	0	2805
H.O. Expenses	9068	19323
Insurance	45141	76756
Membership & Subscriptions	8764	5295
Misc Expenses	54121	20097
Municipal Taxes	45039	65674
Office Expenses	62943	42216
Office Rent	120000	122000
Postage & Couriers	7290	11978
Petrol & Diesel	35026	64935
Printing and Stationery	21297	24398
Professional Charges	325251	295691
Profession Tax (Company)	4000	2000
ROC Filing Fees	39700	0
Software Maintainance	0	27575
Surat Office Rent	180000	168000
Sales Tax Paid	19444	0
Telephone Expenses	87009	82435
Tea & Refreshment	8401	5696
Travelling & Conveyance	9531	14276
Trademark Fees	15764	0
Vehicle Expenses	22688	97682
SUB TOTAL OF INDIRECT EXPENSES	₹ 1729421	2130226
GRANT TOTAL OF EXPENSES	₹ 5001800	5318713

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ATTENDANCE SLIP

I certify, that I am the registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting at 158/159 Samaratha Sakhari Aedyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra- 422209 on the 13th day of September, 2013 at 2:30 p.m.

Name of the Member (in Block Letters) :-

Member's Folio Number :-

DP Id :-

Client Id :-

Name of Proxy (in Block letters to be filled in if the Proxy attends instead of the member) :-

No. of Shares held _____

Signature (Member/Proxy)

* To be signed at the time of handing over this slip.

✂ ----- ✂



PROXY FORM

I/We _____ of _____ being a member/members of Lakhota Polyesters (India) Limited, hereby appoint _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting at 158/159 Samaratha Sakhari Aedyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra- 422209 on on the 13th day of September, 2013 at 2:30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013

Note: The Proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.

Affix a ₹1
Revenue
Stamp

Member's/Proxy's Signature

BOOK- POST

If undelivered, Please return to:

Lakhotia Polyesters (India) Limited

158/159 Samaratha Sahkari Aydyogik Vasahat Ltd.

Pimpal- Gaon (Baswant),

Tal Niphad, District Nashik,

Maharashtra- 422209

Tel: +91 2550-252300 Fax: +91 2550-252300

Website: www.lakhotiapoly.in Email: info@lakhotiapoly.in